

Private Construction Contractors Association of Slovakia

Monthly Report: May 1996

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0Internal Affairs

The PCCAS Board meeting was organized in Holíč on Saturday, May 25, 1995, under the guidance of Mr. Jozef NOVÁK, the PCCAS Vice-president. For details, see the "Public Relations and Marketing" section of this report.

On the basis of the December PCCAS Board Meeting in Devínska Nová Ves, the PCCAS Investment Revolving Fund was established. The first result is the PCCAS Office car — SEAT-TOLEDO. This car was taken under a leasing agreement, which was signed on Friday, May 31, 1996. It will be the great help for the regular personal contact with key PCCAS members and for the PCCAS money-making activity program.

Executive Director Mr. A. BENEDEK and Ms. H. POLÁKOVÁ visited the general director of Pekárne a cestovinárne a.s. Bratislava. They were introduced to the quality of the industrial construction and several construction problems in this factory.

The Executive Director and Ms. GOLIANOVÁ and Ms. POLÁKOVÁ were invited to see the final activity on the construction of Investment and Development Bank (IRB). It is a historical monument of Bratislava and there were several construction and other problems. But the result is excellent. This building is a part of Bratislava history. The renovation and remodeling of the building was done by PCCAS member company UNI s.r.o.

The Executive Director and Ms. POLÁKOVÁ were invited to see the final construction of a multi-functional building, which was built in downtown Bratislava. This building will be owned by the Slovak Health National Insurance Company. The technology of the building and quality of design and construction works are very high level. This building was built by typical "developer" practice, by a PCCAS member — company SPEIS s.r.o.

The final form of the PCCAS Membership Catalog in Slovak was finished and given to the printing company. The PCCAS staff started to work on its English version.

1 Information Exchange

PCCAS staff prepared the strategy for the construction product cost and document database formation. This PCCAS internal document (the strategy) was printed on three pages and Ms. GOLIANOVÁ is the person responsible for this PCCAS program. The first step was four days of PCCAS staff participation in the biggest Slovak Construction Trade Fair — CONECO'96. The PCCAS staff collected the price lists and documents (construction product catalogs, certificates, and manuals) from more than 200 companies. This material will be used as actual price sources for the software KROSS oriented on the construction cost estimation for bidding process.

2 Membership Activities

The PCCAS staff identified 15 companies that had not paid their fees. The Executive Director formulated a specific letter to ask them why they do not pay. The individual visits to these companies is necessary. Their specific problems will be identified and several methods for the PCCAS to them support will be given. The old member is the best member — this is the PCCAS tradition. However, this attitude resulted in the PCCAS losing up to 100,000 Sk.

Five new companies joined the PCCAS. Several of them have dominant positions in the Slovak construction industry market. They are:

- AQUAPOL Slovakia, Tenisová Street No. 12, SK 971 01 Prievidza, Tel./Fax.: +0042 862 38 498, General Director Mr. Róbert PETRISKA. Number of employees - 4.
- KAPPA 1 s.r.o. , Pestovateľská Street No. 2, SK 823 66 Bratislava, Tel./Fax.: +0042 7 52 22 784, Owners: Mr. Ivan PRCÚCH, Mr. Dušan PRCÚCH, Mr. Igor KLUG. Number of employees - 3.
- HYDROSANING s.r.o., Hornoulická Street 37, SK 972 01 Bojnice, Tel./Fax. : +0042 862 34 862, +0042 862 36 371. Owners: Mr. Miroslav KR_ÍK and Marián KR_ÍK. Number of employees - 51.
- HYDROSTAV a.s. Mileti_ova Street No. 21, SK 821 09 Bratislava, Tel.: + 0042 7 20 55 111, Fax. : +0042 7 56 62 820. General Director Mr. Stanislav KLIKÁ_. Number of employees - 6368. The biggest construction company in Slovakia.
- RABIT In_iniersko projektové a stavebné zmluvné zdru_enie, Pri starej prachárni Street No. 14, SK 831 04 Bratislava, Tel.: +0042 7 56 63 475, Fax.: +0042 7 52 67 205, General Director František Böhm. Number of employees - 650.

3Staff Support for PCCAS Entrepreneurs

The PCCAS member company CONSULT v.o.s. asked for help to find business partners for the distribution of large-scale wood parqueted floors. These products have very high quality and relatively low price. The PCCAS staff has been preparing the specific strategy for it, because the PCCAS Office can receive a present of 2% from the business, which also makes it one of the money-making activities.

4Legislative Activities

On Tuesday, May 30, 1996, the PCCAS Office was asked by FEUA to participate in commenting on the Slovak “Construction Act,” related to the MASTERSPEC in the U.S. The PCCAS policy has been using the practice, ignoring the revisions due to the fact of the long-existing need to prepare a completely new law. It is also the source of the tension between the PCCAS and the Ministry of Environment of Slovak Republic. This Ministry is the Garant of the State for the Construction Regulations and for all regulations of Land Planning (for new construction, for renovation and remodeling, and the urban development).

The PCCAS Executive Director participated in the meeting related to the new act preparation — “Construction Products Act.” In this meeting, the Ministry of Construction and Public Works and all institutions that are responsible to the Slovak Government for the construction standards and certification participated. Very complicated discussions showed directly the contradiction within several state institutions. The act is formed under European Union Guidelines for Construction Products.

The PCCAS Executive Director was asked to help trade association AVODIS as a “legislative advisor.” He prepared the legislative plan of this trade association and participated in the formation of the Slovak Food Code. In July, he will be participate in the formation of the Consumer Protection Act.

The PCCAS Office was visited by the representative of the Ministry of Construction and Public Works, Mr. VINCENT. The main topic was the PCCAS support for the edition of several guidelines related to the public procurement. The goal of these guidelines is to improve the public procurement activity in construction industry.

5Cooperation with Associations and Groups

The PCCAS staff started to cooperate with AVODIS on the legislation area.

The PCCAS staff participated regularly in the meetings of the FEUA Permanent Council of General Directors.

The PCCAS President, Mr. Ľubomír HEKO participated in the General FEUA Meeting in the PÚCHOV and he met Slovak Premier MEIAR and five economy ministers. The topic was the Slovak industry and economic development from the employers and entrepreneurs position.

The PCCAS Executive Director asked FEUA General Director Mr. František BRUCK-MAYER and FEUA staff member Mr. Viliam GARAY to nominate as a FEUA representative to the Coordination Committee of State Fund of Housing Development PCCAS representative Mr. František TAJCNÁR. Mr. TAJCNÁR was elected as a suitable person at the PCCAS Board Meeting in Holíč on Saturday, May 25, 1996. The nomination will be given to the FEUA Permanent Council of General Directors next week.

The PCCAS was accepted as a founding member of ABF-Slovakia, the Agency for Construction Industry and Architecture Development, and received several ABF construction catalogs. On the basis of the incorporation of the PCCAS into the ABF-Slovakia, the PCCAS is one of the sponsors of the competition STAVBA ROKA '96 (The Construction of the Year '96). The PCCAS will have its own specific prize in this competition — the “high-quality renovation prize.”

6 International Activities

On Thursday, May 2, 1996, a working lunch was held with the Economic Attache of the British Embassy, Mr. Peter REPKA. The main topic of the discussion was the Slovak construction contractor participation in British construction activities in Slovakia and/or in the other European countries (e.g., Spain) and other forms of cooperation with this Embassy Trade Industry Department oriented toward information exchange and small services. The British Embassy has been selling semi-regularly to PCCAS Office the journal, Tunnels and Tunneling. This journal is very useful for the company HYDROSANNING s.r.o. from Bojnice, which is oriented toward micro-tunnel high technology.

PCCAS staff participated in the meeting of the CEFTA Agreement Countries. The meeting related to cooperation in the construction legislation, namely in the formation of the Construction Product Act, cooperation in certification and implementation of the ISO 9000 Standards for construction contractors. In this meeting, representatives from Poland, Hungary, the Czech Republic, Slovenia, and the Slovak Republic participated. Part of the meeting was the visit to the VÚB Bank construction site (investment value 1,400,000,000 Sk - US\$47,000,000) and Ľúbovo Water Works (investment value 2,100,000,000. Sk - US\$70,000,000).

The PCCAS Executive Director participated in several meetings with Mr. R. W. DOUBEK (PADCO, Inc.), Mr. Peter L. BASS (President of the Alton Consulting Group), George A. WILLIAMS (USAID representative), and several co-workers from Slovakia, including Ms. Jarmila ZAPLETALOVÁ. The topic was analysis of the housing development program based on the “Slovak Developers Activities.” It was shown that this program is very subjective. As a first stage, it shown that it needs to select more simple conditions for land ownership, to select the suitable construction contractors specialized in housing, to be in touch with them several times, to describe them the new philosophy, the new approach (the position of developers), and also to demonstrate the need for closer cooperation with local governments. By the question of the printed documents, the translation of the “developer agreement” was wrong. This agreement is excellent in the U.S., and it was formulated under the U.S. legislation and business practice. It must be first reformulated. That means the U.S. developers’ ideas and practices must be incorporated into the Slovak Construction Act and Business Act. Also, the details of the land and existing construction must be described as a part of bidding documents. The PCCAS recommended to continue in this program.

PCCAS Representative/Executive Director, Mr. Alexander BENEDEK, and PCCAS Board Member, Mr. Ján SKÁLA, invited Mr. Zdeník PREJSA, coordinator of the Spanish Business Department of Spanish Embassy in Prague, to a meeting. Discussion topics included the Slovak construction capacity export to Spain, the contact with the similar trade associations as the PCCAS, and the predominant Spanish construction contractors. Mr. PREJSA described in detail the activity of the Spanish Embassy Department and later he sent to the PCCAS Office the addresses of the 13 biggest Spanish construction contractors (each more than 500 employees). This contact will relate to establishing direct construction cooperation.

7Public Relations and Marketing

The Executive Director prepared the editorial for the new construction journal STAVITE_STVO (The Construction Industry). The title was “The construction boom in Slovakia.” The main idea is the different construction industry development, including housing development in Slovakia in comparison with the other developed countries.

PCCAS staff member Ms. Henrieta POLAKOVÁ, PCCAS Board Committee Coordinator and Program Manager for Education and Training, prepared an analytical article oriented for the PCCAS practice in Seminars for preparation for State examination for verification of the selected activities in construction industry. The article criticized the low level of the Slovak Chamber of Civil Engineers in this examination. The article is formed as a interview between Ms. POLÁKOVÁ and Representative of the Slovak Press Agency (TASR - Tla_ová agentúra Slovenskej republiky), journalist Peter NEDAVAŠKA. The article will be printed in the economy journal, TREND.

In the daily press, several articles were printed about the PCCAS Board Meeting in Holíč. The main topic was the problems in the system of high school (medium degree) education of construction apprentices. In Slovak history, it was one of the main paths of education for workers and construction site managers. The press declared the state of the crisis in this area and the PCCAS policy for its improvement. Representatives of the Ministry of Construction and Public Works, the Ministry of Privatization of National Property, the Ministry of Education, several directors of this type of high school, PCCAS Board Members, Slovak television, press, and radio all participated. On the main TV news on Saturday, May 25, 1996, three minutes was given to information about this PCCAS activity.

The PCCAS Executive Director was asked by the director of the journal INTERNATIONAL EX-PRESS, Mr. MISTRÍK (a well-known Slovak editor and journalist; previously, he had worked for the government news, REPUBLIKA), to prepare the basic information about housing in Slovakia. The PCCAS Executive Director prepared this material as a interview between himself and Mr. MISTRÍK. The Executive Director was visited by him on Wednesday and he interviewed him for three hours. The result will be a two-page profile of the PCCAS Executive Director and PCCAS Board ideas about housing development in Slovak Republic. Mr. MISTRÍK asked to continue with this topic with PCCAS help by creating a set of profiles of the construction companies oriented predominantly to housing construction.

The PCCAS President and Executive Director met the editor of the journal MEDIA KURIÉR, Ms. Judita VÁMOSIOVÁ. She asked the PCCAS representatives to help prepare the several articles about the construction industry in Slovakia — the problems, the main orientation in recent history, the view for future, etc. The PCCAS would be a guarant of this program. Ms. Judita VÁMOSIOVÁ had several journalists who will form the final text and photos under the PCCAS coordination activity.

8Money-Making Activities

Mr. Vladimír SVR_EK (PCCAS Board Member and Garant of the PCCAS Education and Training Programs) prepared a set of training, seminars, workshops, and services materials with the name “ASSPS-VPS,” i.e., PCCAS-Education, Consultancy, Service. This program will be done by the PCCAS Office in practice. The program was evaluated in great detail by PCCAS President HE_KO and, with his leadership, it seems likely that this could be a money-making PCCAS activity for the next months.

The PCCAS organized the Seminar for preparation for the State Examination of Responsibility of Selected Activities of Construction Industry Evaluation in Bratislava in pizzeria PARADISO on May 6-7 and May 22-23. There were 45 and 63 participants. The program manager was Ms. H. POLÁKOVÁ and the professional garant Mr. Vladimír SVR_EK.

The PCCAS organized the Seminar for preparation for the State Examination of Responsibility of Selected Activity in Construction Industry Evaluation in _ilina on May 21-22. There were 35 participants from this region. The program manager was Ms. A. KABZANOVÁ, the Regional Chapter Executive Director, and the professional garant was Mr. Vladimír SVR_EK.

Executive Director and Board Member Mr. Vladimír SVR_EK visited the representatives of company TÛF-Bayern, Mr. Matej TOMASICH and Mr. Ivan VICK. This company is oriented to Quality Management and Certification under the STN-ISO Standards No. 9000. First contact for this company was made by Mr. MÒAHON_ÁK, PCCAS Board Member, and, on this basis, Mr. DZURENDA from TÛF-Bayern Office from Košice participated in the PCCAS Board Meeting in Spišská Nová Ves in April 1996. The second contact was the business discussion between Mr. HE_KO as a representative of UNI s.r.o. three weeks ago. This last meeting was the third working meeting. Both sides discussed details about the cooperation between the PCCAS and TÛF-Bayern. The PCCAS will prepare the standard QM documents for construction contractors and will train the staff. The representatives of TÛF-Bayern will make the internal and external audit and will give the certificate under the STN-ISO 9000 Standard. The details of the financing was discussed. Its certificate is accepted everywhere in Europe under the TÛF-Cert agreement. This Program was proposed by PCCAS Executive Director in July 1995 and later it was supported by the PCCAS President. Several instructors were trained in two weeks in January 1996 directly in Western Germany under the Nefgen and Burbaum consulting company. The general question of this PCCAS program is the selection of the clients. The first will be the UNI s.r.o. and the second the SIBAMAC a.s. The business talking is prepared between SIBAMAC a.s. representatives and PCCAS representatives for Wednesday, July 5.

9Regional Offices Activities

Executive Director and PCCAS Board Member Mr. Vladimír SVR_EK visited the regional chapter in _ilina. There, the PCCAS Regional Office Executive Director organized the Seminar for the preparation for the State Examination for the evaluation of the responsibility for selected activity in construction industry. In this seminar, there were 35 participants from this region.

At the Regional Chapter in Prievidza, the Regional Chapter Executive Director, Ms. Adriana MIKULOVA, finished her work and changed jobs. A new PCCAS employee, Dana MELIŠKOVÁ, was selected to replace Ms. MIKULOVA. Ms. MELIŠKOVÁ will start her work June 1, 1996 under the guidance of Mr. Jozef MELUŠ. She was introduced to the PCCAS Executive Director on Monday, May 20, 1996.

In the newly organized Regional Chapter in Prešov, Ms. Ľudmila KRASNAYOVÁ was hired and trained. She recently quit and a new staff member, Miriam LEŠKOVÁ, was selected as Regional Chapter Executive Director. There are several problems with the Labor Office, which gave the state subsidy for this new job to the PCCAS, but, unfortunately, under very strict conditions. The new Executive Director will work under the guidance of Mr. Viliam VALOVIČ.

10 Technical Assistance Program

The final form of the agreement between the PCCAS Executive Director and PADCO, Inc. includes timesheets and WERFs and was sent to the PCCAS office for the period from February 1 to August 31, 1996. This covers the extremely practical U.S. support for this last stage of the PCCAS development.

The preparatory work on the five PCCAS members' trip to the U.S. continues. Mr. MAŠA spoke about several details with Mrs. Caryl ERSENKAL (PADCO, Inc.) and Ms. Helen ENGLISH (S.W.A.). Four PCCAS members received the proposed program of their trip to U.S. directly from KNO s.r.o./PIET Inc. The time of their arrival in U.S. was established as June 22, 1996.

11 Housing Information Clearinghouse

S.W.A. sent to the PCCAS Office several documents related to housing in U.S., the practical work of trade associations, information exchange, and construction trade fairs in the U.S. and Europe. These documents will all become a part of the PCCAS library and they will be used in housing development practice.

12 Housing Policy Program

No specific tasks were accomplished.

13 Housing Advocacy Program

See the Public Relations and Marketing Section of this Report, the article about PCCAS housing development policy, which will be printed in journal INTERNATIONAL EXPRESS.

14 Expenses and Salaries

Travel expenses	\$ 195.65
Postage and Telephone	306.61
Miscellaneous	133.86
Printing	708.39
Salaries	<u>1,133.73</u>
Total	\$ 2,478.24

Michal MA_AŠ

Executive Director